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DE RUEHSK #0956/01 2281258
ZNY CCCCC ZZH
R 161258Z AUG 05
FM AMEMBASSY MINSK
TO RUEHC/SECSTATE WASHDC 2811
INFO RUEHBJ/AMEMBASSY BEIJING 0046
RUEHMO/AMEMBASSY MOSCOW 3101
RUEHKV/AMEMBASSY KIEV 2867
RUEHVL/AMEMBASSY VILNIUS 3331
RUEHWR/AMEMBASSY WARSAW 3002
RUEHRA/AMEMBASSY RIGA 1385
RUEHIN/AIT TAIPEI
RUEHBS/USEU BRUSSELS
RUEHVEN/USMISSION USOSCE 0617
RHMFISS/HQ USEUCOM VAIHINGEN GE
RUFOADA/JAC MOLESWORTH RAF MOLESWORTH UK

C O N F I D E N T I A L MINSK 000956

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E.O. 12958: DECL: 08/09/15
TAGS: [PREL](#) [PINR](#) [BO](#) [CH](#)
SUBJECT: Minsk's Deepening Relations with China

Classified by Ambassador George Krol for Reasons 1.4 (B,D)

¶1. (U) Summary: Belarus' relationship with China continues to strengthen. China has invested and plans to invest millions of dollars in Belarusian companies while Belarus is contemplating opening a bank in China. Both countries have exchanged military delegations and have signed military accords. It is clear that Belarus sees China as a cash cow with enough international power to counter the world's negative opinion of Belarus. It is not clear what China wants, although it does not hurt to have a "loyal" friend in Europe. As Belarusian officials continue to meet their Chinese counterparts, including Lukashenko's planned visit in September, post expects the Belarusian-Chinese relationship to continue to grow. End Summary.

¶2. (U) Leaders of Belarus and China have been publicly flirting with each other for the last several months. Lukashenko often states how much Belarus values its friendship with the "powerful" and "prosperous" China and how he agrees with China's policies in the international arena. China's Vice President Zeng Qinghong likewise has stated that the Chinese government values its cooperation with Belarus and would like to bring bilateral relations to a new height. On July 27, Chinese Ambassador to Belarus Yu Zhenqi expressed China's respect for Belarus' independent way of development and guaranteed China's support to the GOB for strengthening Belarus' independence and sovereignty. He stated that though geographically remote, China and Belarus are "spiritually close".

Military Mutual Aid

¶3. (U) In the past two years, Belarus has sent and received several military delegations to and from China. During a recent trip to China on June 3, Defense Minister Colonel-General Leonid Maltsev met with his Chinese counterpart, Colonel-General Cao Gangchuan, to agree on "friendly", "cooperative", and "multi-level" military ties. Not long after their meeting, China announced that it would provide USD 600,000 worth of medical equipment to the Belarusian Defense Ministry and would send military personnel to the Belarusian Military Academy for training. [Note: Students from North Korea and Vietnam also study at this academy.] Likewise, during a visit to Beijing on July 22, Chief of Communications Major-General Alexander Sokolov announced

that the Belarusian military is studying the structure and organization of China's military communication system.

Political Partnership

14. (U) Foreign Minister Sergei Martynov announced on March 3 that China is Belarus' most important political partner in Asia. Ties are based on political trust and a "wide-ranging consensus on major international issues". In May 2004, both countries reduced consular fees by half to promote tourism and business travel. In October 2004, Belarus' upper chamber of parliament renewed an agreement with China exempting each country from paying rent for premises provided for embassies and embassy staff. In June 2005, representatives from the pro-Lukashenko Communist Party of Belarus (CPB) met with the visiting Communist Party of China members, who expressed their respect for the CPB for "preserving the party" following the collapse of the Soviet Union. On July 27, Chinese Ambassador to Belarus Yu Zhenqi emphasized the Chinese parliament's eagerness to develop contacts with their Belarusian counterpart.

15. (U) Belarus frequently asserts its support for the One-China Policy and views China's anti-secession laws as "conducive to regional and world peace and stability". [Note: Belarus is not against playing both sides; there is a small Taiwanese trade mission in Minsk, but Beijing definitely gets preference.] China has noted Belarus' support and would likewise assist Belarus in the international arena. On July 25, head of the Upper Chamber of the National Assembly Gennadi Novitski thanked China for its support by counteracting the adoption of resolutions "biased" against Belarus.

Academic Affiliation

16. (U) According to the first deputy rector of Belarusian State University, cooperation with China in economics, science, technology, and other education has strengthened. Approximately 1,000 Chinese citizens currently study at Belarusian educational institutes. In 2004, the Belarusian National Academy of Sciences signed cooperation accords with Chinese research and development laboratories and industrial enterprises while representatives of Belarus' National Technology Transfer Center attended an international fair and conference in Ningbo to study modern Chinese technology and investment. On June 26, China announced plans to donate USD 1.2 million worth of equipment, including computers, monitors, televisions and a desktop publishing system to Belarus' National Library. On July 11, the Belarusian State University signed a memorandum of understanding with the Harbin Science and Technology Office to create a scientific-technical cooperation center and a joint laboratory with branches in Minsk and Harbin, China.

Economic Association

17. (U) In 2004, trade with China reached record levels. In January, the Belarusian Chamber of Trade and Commerce (BCCI) met with Zhenqi to discuss a consolidated action plan to increase cooperation between the BCCI and subcommittees of China's Committee for Assistance to International Trade. On May 17, Lukashenko stressed that the USD 460 million in bilateral trade with China in 2004 was "only the beginning" and predicted trade would greatly increase. On June 3, the Belarusian Embassy in Beijing asked the National Bank of Belarus (NBB) to "request" a Belarusian bank open a branch in China to represent the Belarusian banking system in Chinese financial markets, increase bilateral trade, monitor the markets, and advise other Belarusian banks and companies. The NBB publicly stated this was a great idea, and that a "volunteer" bank would soon be found.

¶9. (U) Belarusian companies are searching for investment opportunities in the technological development of western and northeastern China while Chinese companies have hired Belarusian chemists, engineers and other experts from the National Technology Transfer Center. In 2004, Belarusian Steel Works (BMZ) and China signed an agreement to establish a factory in Shanghai.

Loans and Aid

¶10. (U) Since 2003, China has given Belarus millions of dollars in aid to the National Library project and the Defense Ministry, such as USD 1.2 million in humanitarian aid for Belarus to participate in joint projects with China and USD 1.2 million to purchase equipment for the Ministry of Emergency Situations. In September 2004, China gave Belarus USD 600,000 to send experts to China for training in the areas of trade, economy, finance, banking, taxation and customs. In December 2004, the Belarusian-Chinese Commission on Trade and Economic Cooperation signed an agreement on China's gratuitous aid to Belarus. Other Chinese help includes a USD 150 million loan to Belarusian Telecommunication Network to buy equipment, a USD 40 million loan to reconstruct Minsk heat power plant No. 2, and a USD 20 million loan to launch medical-pill production facilities at a Belarusian pharmaceutical plant.

Culture, Tourism and Sport

¶12. (U) In November 2003, Beijing hosted the Days of Belarusian Culture. The Culture Ministries of China and Belarus afterwards signed a 2004-2006 cooperation protocol to hold Days of Chinese Culture in Belarus in 2004 and 2006 and Days of Belarusian Culture in China in 2005. In March 2005, a book called 'The Republic of Belarus', edited by the Institute of Russia, East Europe and Central Asia Studies of the Chinese Academy of Social Sciences, was published to inform the Chinese population of the history, politics, economy and culture of Belarus. During the 2003 Days of Belarusian Culture, the Belarusian embassy in China published a Chinese-language tourist magazine to promote Belarus as a holiday destination. The two governments plan to sign an agreement on tourism when Lukashenko visits China in December. Belarusian national airline Belavia plans to initiate regular passenger service from Minsk to Beijing soon, and in September the GOB hopes to organize a tour of Belarus for Chinese travel agencies, aimed at adding Belarus to Chinese citizens' list of places to visit. Moreover, in August the Belarusian Ministry of Sport and Tourism signed a deal with its Chinese counterpart to send Belarusian Olympic athletes to China to train.

Taiwanese Perspective

¶14. (C) On July 26, poloffs met with the first secretary of the Taipei Economic and Trade Mission in Minsk, Chin Feng, who noted the increasing relationship between Belarus and China. Feng stressed China's interest in Belarusian fiber optics technology for use in China's rapidly growing military. According to Feng, Belarus sees China as an economically and politically powerful friend who could throw strong support behind Belarus at international organizations, particularly the UN Security Council. China, according to Feng, sees a friendship with Belarus as a way to have some fingers in Europe. Belarus' growing interest in China has caused Feng's organization's relationship with the government to cool. GOB officials now hesitate to meet with Feng and will no longer accept gifts from the Taiwanese Mission.

¶15. (C) The Chinese ambassador, Yu Zhenqi (a colleague of the ambassador in Moscow) informed the ambassador at a private dinner that he is leaving Belarus shortly and will become

the Chinese ambassador to Bulgaria. Yu has been a good contact. He admits that China values Belarus largely as a political foothold in the region, but doesn't expect much in the way of trade profits emerging from the relationship. He noted that the presence of the Taiwanese trade office in Minsk is a big irritant, but it seems Minsk has reduced its interaction with that office. Yu indicated he did not think Lukashenko would fall from power soon. China takes a long-term perspective in building its ties with Belarus as part of its general policy of expanding its fiscal influence where it is welcome. While Yu did not say so, it seems China is using Belarus' hostility to the West and coolness to Russia to build up a relationship that might be beneficial to Chinese interests.

Comment

¶16. (C) Belarus has seen large economic benefits in having a close relationship with China. As from its relationships with Iran, Syria, and Sudan, Belarus is receiving millions of dollars of investment, aid, and sales from China while not having to spend much of its own money in return. Unlike Belarus' Middle Eastern partners, China is an economically and politically powerful giant with much influence in the international arena. Lukashenko has little to lose and much to gain from continued cooperation with China, and he is not asked to give much in return. We expect this friendship to continue.

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